

Volta Finance Limited (VTA / VTAS) – April 2022 monthly report

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Guernsey, 12 May 2022

AXA IM has published the Volta Finance Limited (the “Company” or “Volta Finance” or “Volta”) monthly report for April. The full report is attached to this release and will be available on Volta’s website shortly (www.voltafinance.com).

PERFORMANCE and PORTFOLIO ACTIVITY

April saw a continuation of the recovery from the losses experienced in February following the Russian invasion of Ukraine. During April, the fund gained 2.3% which leaves the year-to-date performance at +1.4%. Part of this good performance is due to the USD exposure in Volta (+1.6% contribution in April).

Turning to the broad asset classes, the monthly performances** were: +0.8% for Bank Balance Sheet transactions, +0.9% for CLO equity tranches; +0.5% for CLO debt; +0.7% for Cash Corporate Credit and ABS (together representing 2.8% of NAV).

Most markets were relatively flat in April including the US and the European loan markets. Relative to end-of-year levels, loan prices were down by roughly 1% in the US and 1.5% in Europe on average. Both markets are now 1% lower in terms of average prices.

Our view is unchanged: we still think that we may see an increase in default rates: 1 to 2% for 2022 and 2 to 3% for 2023 seem reasonable expectations for both loan markets.

With central banks fighting against inflation, we may see volatility continuing during the rest of the year. Given the significant weight of CLO Equities, the outlook for Volta mainly depends on the magnitude of positive impacts (purchasing loans at a discount and new loans at higher spreads) to compensate for the negative outcome coming from higher default rates.

One clear and positive thing is the fact that most of Volta’s CLO Equity positions have been sourced, refinanced or reset in 2021 with a relatively low cost of debt and relatively long reinvestment periods. If loan spreads are to be higher for some time, we will benefit from the increase in the weighted average spread of the underlying loan pools while the cost of leverage has been fixed at a relatively low level.

For the coming quarters, there are no signs that Volta may suffer from any diversion of cashflows from its CLO Equity positions. Receiving a continuing high level will allow us to take advantage of opportunities arising from the current market environment while paying a solid quarterly dividend.

In April, Volta received the equivalent of €9.7m in terms of interest and coupons. For the 6 months ended April 2022, Volta received €22.5m interest and coupons representing a 17.0% annualized return on NAV.

As at the end of April 2022, Volta’s NAV was €264.1m or €7.22 per share.

**It should be noted that approximately 9.4% of Volta’s GAV comprises investments for which the relevant NAVs as at the month-end date are normally available only after Volta’s NAV has already been published. Volta’s policy is to publish its NAV on as timely a basis as possible to provide shareholders with Volta’s appropriately up-to-date NAV information. Consequently, such investments are valued using the most recently available NAV for each fund or quoted price for such subordinated notes. The most recently available fund NAV or quoted price was 3.0% as at 31 March 2022, 5.9% as at 31 January 2022, and 0.5% as at 31 December 2021.*

*** “performances” of asset classes are calculated as the Dietz-performance of the assets in each bucket, taking into account the Mark-to-Market of the assets at period ends, payments received from the assets over the period, and ignoring changes in cross-currency rates. Nevertheless, some residual currency effects could impact the aggregate value of the portfolio when aggregating each bucket.*



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ABOUT VOLTA FINANCE LIMITED

Volta Finance Limited is incorporated in Guernsey under The Companies (Guernsey) Law, 2008 (as amended) and listed on Euronext Amsterdam and the London Stock Exchange's Main Market for listed securities. Volta's home member state for the purposes of the EU Transparency Directive is the Netherlands. As such, Volta is subject to regulation and supervision by the AFM, being the regulator for financial markets in the Netherlands.

Volta's investment objectives are to preserve capital across the credit cycle and to provide a stable stream of income to its shareholders through dividends. Volta seeks to attain its investment objectives predominantly through diversified investments in structured finance assets. The assets that the Company may invest in either directly or indirectly include, but are not limited to: corporate credits; sovereign and quasi-sovereign debt; residential mortgage loans; and, automobile loans. The Company's approach to investment is through vehicles and arrangements that essentially provide leveraged exposure to portfolios of such underlying assets. The Company has appointed AXA Investment Managers Paris an investment management company with a division specialised in structured credit, for the investment management of all its assets.

ABOUT AXA INVESTMENT MANAGERS

AXA Investment Managers (AXA IM) is a multi-expert asset management company within the AXA Group, a global leader in financial protection and wealth management. AXA IM is one of the largest European-based asset managers with 2,460 professionals and €887 billion in assets under management as of the end of December 2021.

This press release is published by AXA Investment Managers Paris ("AXA IM"), in its capacity as alternative investment fund manager (within the meaning of Directive 2011/61/EU, the "AIFM Directive") of Volta Finance Limited (the "Volta Finance") whose portfolio is managed by AXA IM.

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The figures provided that relate to past months or years and past performance cannot be relied on as a guide to future performance or construed as a reliable indicator as to future performance. Throughout this review, the citation of specific trades or strategies is intended to illustrate some of the investment methodologies and philosophies of Volta Finance, as implemented by AXA IM. The historical success or AXA IM's belief in the future success, of any of these trades or strategies is not indicative of, and has no bearing on, future results.

The valuation of financial assets can vary significantly from the prices that the AXA IM could obtain if it sought to liquidate the positions on behalf of the Volta Finance due to market conditions and general economic environment. Such valuations do not constitute a fairness or similar opinion and should not be regarded as such.

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